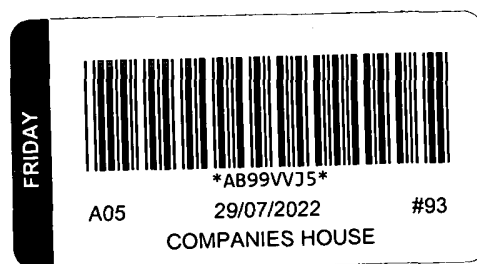


Hamer International Limited

Annual report and financial statements

for the period ended 31 October 2021

Registered no: 02500300



Hamer International Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS for the period ended 31 October 2021

<u>Contents</u>	Page
Strategic Report	1
Directors' Report	2 - 4
Independent Auditors' report to the members of Hamer International Limited	5 - 8
Profit and Loss account	9
Balance Sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 – 15

Hamer International Limited

STRATEGIC REPORT for the period ended 31 October 2021

INTRODUCTION

This Strategic Report is intended to provide information about the Company's strategy and business needs, its performance and results for the period.

The Company is a property holding company.

PERFORMANCE AND RESULTS FOR THE PERIOD

The results for the financial period are shown on page 9 show a result before taxation of £nil (2020: £nil) and the balance sheet on page 10 shows net assets of £424,000 (2020: £424,000). The directors do not recommend the payment of a dividend for the period (2020: £nil per share).

There has been no change in the fair value of the property in the period and therefore no transactions in the period.

THE BOARD

Details of the members of the Board are set out in the Directors' Report.

The directors manage the Group's operations on a divisional basis. For this reason the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company is simply an investment holding company, and does not trade, the only risks and uncertainties that the Board identifies relate to those that could impact the value of its investment in Freehold land and Buildings. The Board ensures that the occupier has in effect appropriate insurance policies to protect against material damage and consequential loss of profits.

On behalf of the Board



M Knudsen
Director

27 July 2022

Hamer International Limited

DIRECTORS' REPORT **for the period ended 31 October 2021**

The directors present their report and the audited financial statements of the Company for the period ended 31 October 2021.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Company is property holding. The board do not envisage any significant changes to the Company's business activities in the foreseeable future.

RESULTS AND DIVIDENDS

The results for the period on page 9 show a result before taxation of £nil (2020: nil) and turnover of £nil (2020: £nil) and the balance sheet on page 10 shows net assets of £424,000 (2020: £424,000). The directors do not recommend the payment of a dividend for the period (2020: £nil). The result for the financial period of £nil (2020: nil) has been transferred to reserves.

DIRECTORS

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

R L Randall (resigned 12/11/21)
D R Brady (resigned 12/11/21)
A Cracknell (appointed 12/11/21 & resigned 28/02/22)
M Knudsen (appointed 12/11/21)

POST BALANCE SHEET EVENTS

On 12 November 2021 the entire share capital of the Company's immediate parent company, Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) was acquired in full by Pilgrim's Pride Ltd, a company registered in England. The group's invoice discounting facility was settled on that date and the group now receives funding from its new owner.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Company and of the profit or loss of the group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' REPORT

for the period ended 31 October 2021 (continued)

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

FINANCIAL RISK MANAGEMENT

The Company has adequate insurance in place to ensure that any diminution of the Company's asset is protected.

STAKEHOLDER ENGAGEMENT

The Company is part of the Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) ("Parent Company") group of companies and is wholly owned by the Parent Company.

The Board, both individually and together, consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006 in the decisions taken during the period.

Group companies, including the Company, are managed, and controlled on a unified basis under the Parent Company Board of Directors' direction. Accordingly, the Parent Company Board has overall responsibility for determining the Group's and the Company's purpose, values, and strategy and for ensuring high governance standards. The Parent Company's primary aim is to promote the long-term sustainable success of the Parent Company, generating value for the Parent Company's shareholders and contributing to wider society. The Groups' management decisions and actions are taken having regard to the Parent Company's interests as the ultimate shareholder of the Company and the interests of common stakeholders, being the Group's employees, suppliers, customers, and creditors, in line with s172 (1) (a-f) of the Companies Act 2006; including consideration of:

- Likely consequences of decisions in the long term: this is done through a medium and long term planning process, with progress reviewed regularly and strengthened through clear reporting lines, sharing of management information and KPIs, and common members between the Parent Company Board members the Group's Senior Executives.
- Employees: The Company was a family company that has been in existence for many years. Given the close knit operational environment, the board are in regular direct contact with employees and are mindful of their requirements when taking strategic decisions.
- Stakeholders: the Group's customers and suppliers (and creditors) are fundamental to the delivery of the Group's plan, and reputation of the brand, the Group must maintain its reputation for high standards of business conduct. Products are sourced directly from manufacturers globally, with a focus on building long-term strategic relationships with our suppliers.
- Community and the environment: the Group aims to be a responsible member of our community and minimize its impact on the environment. During the period, the Group made environmental issues a particular area of focus. The Group's ensures broader strategic priorities consider sustainability of products, encouraging use of more recycled materials and low carbon production processes.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172 COMPANIES ACT 2006

The Board is required to act in accordance with a general set of duties detailed in section 172 of the UK Companies Act 2006. In the decisions taken during the period ended 31 October 2021, the directors have acted in a way they consider, in good faith, would most likely promote the success of the Company and its reputation for high standards of business conduct and for the benefit of its employees. Maintaining the Company's relationships with customers and suppliers is vital. The safety and integrity of our products throughout the supply cycle is of paramount importance. The board's intention is to always behave responsibly to all stakeholders and treat them equally and fairly.

Hamer International Limited

DIRECTORS' REPORT

for the period ended 31 October 2021 (continued)

GOING CONCERN

The directors have prepared a going concern assessment for the period to 31 December 2023. The straightforward nature and activity of the company has continued since the balance sheet date of 31 October 2021 and is expected to do so throughout the going concern period of review. The only liability of the company continues to be the intercompany loan payable to its parent company, Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited). The company does not trade however certain administrative costs are incurred by the company's parent but are not recharged to the company. On this basis the company is reliant on support from its parent and received a letter of support. Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) has indicated that it will continue to make funds available to the company and in particular will not seek repayment of the amounts owed by the company. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The letter covers a period of at least 12 months from the date of signing these financial statements. The directors have assessed the ability of the parent to provide this support and in doing so reviewed the parent's own going concern assessment. Based on this the directors have concluded that it remains appropriate for the company's financial statements to be prepared on a going concern basis.

DIRECTORS' LIABILITY INSURANCE

The Company had in place suitable Directors' and Officers' liability insurance, both during the period and up to the date of signing the financial statements.

INDEPENDENT AUDITORS

Following the resignation of PricewaterhouseCoopers LLP as auditor, the board appointed KPMG as auditor of the Companies pursuant to section 485(3) of the Companies Act 2006. KPMG have expressed their willingness to continue in office as auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf.



M Knudsen
Director

27 July 2022

Seton House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA



**KPMG
Audit**
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditors' report to the members of Homer International Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Homer International Limited ('the Company') for the period ended 31 October 2021 set out on pages 9 to 15, which comprise the consolidated profit and loss, consolidated balance sheet, Company only balance sheet, consolidated statement of changes in equity, Company statement of changes in equity, consolidated cash flow statement and related notes, including the summary of significant accounting policies set out in note 16. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 October 2021 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAS (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent Auditors' report to the members of Homer International Limited (continued)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. (In addition, our risk assessment procedures included: inquiring with the directors as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected noncompliance with laws or regulations or alleged fraud; inspecting the Group's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors [and other management] and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected noncompliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed noncompliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.



Independent Auditors' report to the members of Homer International Limited (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report [and [insert titles of other sections of the annual report]]. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern in disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAS (UK) will always detect a material misstatement when it exists.



Independent Auditors' report to the members of Homer International Limited (continued)

Respective responsibilities and restrictions on use (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'M. McCann', with a stylized flourish at the end.

Maurice McCann (Senior Statutory Auditor)
for and on behalf of KPMG Statutory Auditor
1 Stokes Place,
St Stephen's Green
Dublin 2, Ireland

27 July 2022

Hamer International Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 October 2021

	Note	2021 £'000	2020 £'000
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
GROSS RESULT		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
RESULT BEFORE TAXATION	3	-	-
Tax on result		-	-
		<hr/>	<hr/>
RESULT FOR THE FINANCIAL PERIOD		-	-
		<hr/> <hr/>	<hr/> <hr/>

All results derive from continuing operations.

The Company has no recognised gains or losses other than for the financial periods stated above.

There is no other comprehensive income for the Company and therefore a separate statement of comprehensive income has not been presented.

The accounting policies and notes on pages 12 to 15 form an integral part of these financial statements.

Hamer International Limited

BALANCE SHEET as at 31 October 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investment property	4	1,300	1,300
		<u>1,300</u>	<u>1,300</u>
CREDITORS: amounts falling due within one year	5	(876)	(876)
		<u>(876)</u>	<u>(876)</u>
NET CURRENT LIABILITIES		<u>(876)</u>	<u>(876)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u>424</u>	<u>424</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Share premium account		500	500
Accumulated losses		(77)	(77)
		<u>424</u>	<u>424</u>
TOTAL SHAREHOLDERS' FUNDS		<u>424</u>	<u>424</u>

The financial statements on pages 9 to 15 were approved by the board of directors on 27 July 2022 and were signed on its behalf by:



M Knudsen
Director

Hamer International Limited

Registered No: 02500300

Hamer International Limited

STATEMENT OF CHANGES IN EQUITY for the period ended 31 October 2021

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total Shareholders' funds £'000
Balance as at 30 September 2019	1	500	(77)	424
	<hr/>	<hr/>	<hr/>	<hr/>
Result for the financial period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive result for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 26 September 2020	1	500	(77)	424
	<hr/>	<hr/>	<hr/>	<hr/>
Result for the financial period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive result for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 October 2021	1	500	(77)	424
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 15 form an integral part of these financial statements.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 October 2021

1. PRINCIPAL ACCOUNTING POLICIES

General information

Hamer International Limited is a private company limited by shares which is incorporated in the United Kingdom and registered in England. The address of its registered office is Seton House, Warwick Technology Park, Gallows Hill, Warwick, England, CV34 6DA and its registered number is 02500300.

The principal activity of the Company during the period was property holding.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Statement of compliance

The financial statements of Hamer International Limited, which should be read in conjunction with the Directors' Report and the Strategic Report, have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") with the exception of the requirements of FRS102 section 16 and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

Per section 390 of the Companies Act 2006, the directors are required to draw up financial statement within seven days of the Company's accounting reference date. The Company's accounting reference date is 31 October. Consistent with the normal monthly reporting process, the actual date to which the financial statements have been drawn up to is the nearest Saturday to the reference date being 31 October 2021 and the 52 week period then ended, as referred to throughout these financial statements. In the prior year the financial statements were drawn up to 26 September 2020 and the 52 week period then ended. In the prior period the year end date was referred to as 30 September throughout the financial statements with an explanatory note, including the actual date, within the 'basis of accounting' note. In order to add greater clarity, the comparatives throughout these 2020 financial statements have been presented by referring to the actual comparative date of 26 September 2020.

Going concern

The directors have prepared a going concern assessment for the period to 31 December 2023. The straightforward nature and activity of the company has continued since the balance sheet date of 31 October 2021 and is expected to do so throughout the going concern period of review. The only liability of the company continues to be the intercompany loan payable to its parent company, Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited). The company does not trade however certain administrative costs are incurred by the company's parent but are not recharged to the company. On this basis the company is reliant on support from its parent and received a letter of support. Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) has indicated that it will continue to make funds available to the company and in particular will not seek repayment of the amounts owed by the company. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The letter covers a period of at least 12 months from the date of signing these financial statements. The directors have assessed the ability of the parent to provide this support and in doing so reviewed the parent's own going concern assessment. Based on this the directors have concluded that it remains appropriate for the company's financial statements to be prepared on a going concern basis.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 October 2021 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Exemptions for qualifying entities under FRS 102

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.
- iv) from the requirement to disclose related party transactions under paragraph 33.1(a).
- v) from the requirement to present a Strategic Report.

Investment property

Investment property whose fair value can be measured reliably are stated at fair value. Changes in fair value at each reporting date are recognised in the profit and loss account. The investment property is valued each year by an independent property valuer.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services provided and is recognised upon invoicing rent payable.

Current and Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Called up share capital and share premium

Ordinary shares are recognised as equity. The share premium account represents the consideration received on the issue of shares in the Company in excess of the nominal value of shares and is recognised as equity.

Retained earnings

The Company's profit and loss account represents cumulative profits and losses and distributions of the Company.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 October 2021 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) The value of the Investment Property

The Company assesses the open market value of the Investment Property annually by obtaining a professional valuation. Any substantial increases or decreases in the open market value are factored into the Company's accounts. The Company ensures that the occupier of the Investment Property keeps the property in good and serviceable repair.

2. DIRECTORS' EMOLUMENTS

All of the directors are also directors of the ultimate parent company and their remuneration in respect of their services to the group, including Hamer International Limited, is paid by and disclosed in the financial statements of the parent company, Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited).

3. RESULT BEFORE TAXATION

The auditors' remuneration is borne by the Parent Company. No recharge was made to the Company.

4. INVESTMENT PROPERTY

	31 October 2021 £'000	26 September 2020 £'000
At the beginning of the period	1,300	1,300
At the end of the period	1,300	1,300

The freehold investment property was valued on 30 September 2020. This valuation was performed by Stuart Hogg Property Consultants, an independent valuer with a recognised and relevant professional qualification in the location and class of the investment property being valued. The valuation was performed on the basis of open market value in accordance with the Royal Institute of Chartered Surveyors (RICS).

The critical assumptions made relating to the valuation are as set out below:

- The property is held on good and unencumbered title, free from onerous covenants, easements, restrictions or other encumbrances or outgoings; and
- The information provided by the Authorities is correct and complete and that a local search would not reveal any matters that would have an adverse effect upon the value of the property, nor liability to the company in respect of land contamination.

The historical cost of the investment property held at fair value is £1,713,000 (2020: £1,713,000).

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 October 2021 (continued)

	2021 £'000	2020 £'000
5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts owed to group undertakings	876	876

The amount shown above as owed to group undertakings is unsecured, interest free and repayable on demand.

	2021 £	2020 £
6. CALLED UP SHARE CAPITAL		
Allotted and fully paid 1,493 (2020: 1,493) ordinary shares of £1 each	1,493	1,493

There is a single class of ordinary share. There are no restrictions on the distribution of dividends or the return of capital.

7. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions with entities that are part of the Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) group.

8. PARENT COMPANY

The directors regard Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited), a company registered in England and Wales, as the immediate parent company which is the parent company of the smallest group to consolidate these financial statements.

The consolidated financial statements of Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) can be obtained from Seton House, Warwick Technology Park, Gallows Hill, Warwick, England, CV34 6DA.

9. POST BALANCE SHEET EVENTS

On 12 November 2021 the entire share capital of the Company's immediate parent company, Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Limited) was acquired in full by Pilgrim's Pride Ltd, a company registered in England. The group's invoice discounting facility was settled on that date and the group now receives funding from its new owner.

Covid restrictions have remained in force until they came to an end on the 24th February 2022. The directors believe that these events have not had a material impact on the fair value of the investment property.

10. CONTROLLING PARTY

During the period ended 31 October 2021 and as at 31 October 2021 the ultimate controlling party of the Company was R L Randall through his controlling interest in the parent company Pilgrim's UK Lamb Ltd (formerly Randall Parker Foods Ltd).

At the date of signing these financial statements, the ultimate parent company and controlling party is JBS S.A., a company incorporated in Brazil.